

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6710

BILL NUMBER: HB 1339

NOTE PREPARED: Jan 16, 2014

BILL AMENDED:

SUBJECT: Funding public safety answering points.

FIRST AUTHOR: Rep. Karickhoff

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Maximum Levies:* This bill authorizes the fiscal bodies of a county and another political subdivision that are parties to a contract under which the county has assumed the responsibility of operating a public safety answering point (PSAP) to jointly petition the Department of Local Government Finance (DLGF) to adjust the maximum permissible ad valorem property tax levies of the respective units.

CEDIT for Public Safety Answering Points: The bill also provides that in a county that operates a public safety answering point, an additional county economic development income tax (CEDIT) rate of 0.1% may be imposed to pay expenses incurred by the county to operate the PSAP.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *Department of Local Government Finance, Department of State Revenue, and State Budget Agency:* The bill's requirements are within the agencies' routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Maximum Levies:* If a county is under contract with another taxing unit to operate a PSAP, this provision would allow the parties to jointly petition the DLGF to transfer a portion of the taxing unit's levy authority to the county unit. If approved, the levy authority transferred would equal

the amount levied by the taxing unit in the previous year to pay expenses for the operation of the PSAP.

Overall, total property tax levies would be unchanged. There would be some tax shift from property taxpayers within the taxing unit to all property taxpayers within the county. In addition, a portion of other revenues that are distributed on the basis of the property tax levy, such as motor vehicle excise tax and LOIT shares, would also be shifted from the taxing unit to the county. Any impact would depend on local action.

CEDIT for Public Safety Answering Points: This bill allows counties who operate a PSAP to adopt an ordinance to impose an additional 0.1% CEDIT on the income of resident county taxpayers. The revenue collected from this tax must be used to pay for the operating expenses of the PSAP. The rate imposed for this purpose is not included when computing the maximum allowable CEDIT rate or any other combinations of local option income tax rates. Currently, 77 counties impose a CEDIT, and 65 of those counties have reached the maximum combined rate for the base local option income taxes. The table below contains estimates of the certified LOIT distributions at a 0.1% rate for the counties who have adopted a LOIT.

County Name	CY 2015	CY 2016	County Name	CY 2015	CY 2016
Adams	\$617,000	\$635,000	Lawrence*	\$767,000	\$791,000
Allen	8,148,000	8,327,000	Madison*	2,075,000	2,138,000
Bartholomew	2,045,000	2,119,000	Marion*	17,796,000	18,250,000
Benton	188,000	196,000	Marshall*	969,000	998,000
Blackford	205,000	209,000	Martin	171,000	175,000
Boone*	2,394,000	2,495,000	Miami	525,000	540,000
Brown	287,000	296,000	Monroe*	2,619,000	2,706,000
Carroll	424,000	441,000	Montgomery	668,000	689,000
Cass	635,000	651,000	Morgan	1,430,000	1,471,000
Clark	2,118,000	2,176,000	Newton*	299,000	307,000
Clay*	443,000	457,000	Noble	810,000	835,000
Clinton	573,000	586,000	Ohio*	114,000	117,000
Crawford	148,000	154,000	Orange	282,000	291,000
Daviess	567,000	590,000	Owen	325,000	331,000
Dearborn*	1,134,000	1,155,000	Parke	253,000	263,000
Decatur	498,000	521,000	Perry	319,000	329,000
Delaware	1,773,000	1,811,000	Pike	259,000	267,000
DeKalb	812,000	837,000	Porter	4,732,000	4,903,000
Dubois	1,128,000	1,163,000	Posey	646,000	663,000

County Name	CY 2015	CY 2016	County Name	CY 2015	CY 2016
Elkhart	\$3,781,000	\$3,869,000	Pulaski	\$292,000	\$301,000
Fayette	306,000	313,000	Putnam	621,000	638,000
Floyd	1,837,000	1,866,000	Randolph	417,000	428,000
Fountain	336,000	346,000	Ripley	521,000	529,000
Franklin	442,000	451,000	Rush	317,000	326,000
Fulton	364,000	375,000	Scott	335,000	345,000
Gibson	760,000	780,000	Shelby	883,000	902,000
Grant	1,035,000	1,058,000	Spencer	425,000	440,000
Greene*	560,000	569,000	St. Joseph	5,386,000	5,522,000
Hamilton*	12,220,000	12,953,000	Starke	356,000	368,000
Hancock	1,829,000	1,887,000	Steuben	696,000	720,000
Harrison	765,000	771,000	Sullivan	360,000	370,000
Hendricks	3,935,000	4,139,000	Switzerland*	134,000	138,000
Henry	802,000	827,000	Tippecanoe	3,373,000	3,489,000
Howard	1,426,000	1,457,000	Tipton	368,000	377,000
Huntington	676,000	693,000	Union	122,000	127,000
Jackson	791,000	821,000	Vanderburgh*	3,808,000	3,890,000
Jasper	720,000	748,000	Vermillion	289,000	297,000
Jay	316,000	324,000	Vigo	1,833,000	1,865,000
Jefferson	613,000	634,000	Wabash	526,000	538,000
Jennings	426,000	440,000	Warren	192,000	198,000
Johnson*	3,666,000	3,811,000	Warrick	1,735,000	1,817,000
Knox	724,000	744,000	Washington	415,000	423,000
Kosciusko	1,449,000	1,486,000	Wayne	1,012,000	1,034,000
Lagrange	605,000	626,000	Wells	632,000	652,000
Lake	9,771,000	10,040,000	White	482,000	498,000
LaPorte	2,098,000	2,159,000	Whitley	662,000	684,000

* Counties not imposing CEDIT.

State Agencies Affected: Department of Local Government Finance; Department of State Revenue; State

Budget Agency.

Local Agencies Affected: Counties and other taxing units.

Information Sources: LSA: 1% Certified LOIT Estimates.

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